

Legislative File Number O-06-8 (version 5)

CITY of ALBUQUERQUE SEVENTEENTH COUNCIL

F/S Defining Affordable Housing Opportunities for Albuquerque's Working Families; Directing an On-Going Five Year Strategic Workforce Housing Plan and Needs Assessment; Providing Funding in the City Capital Improvement Program and General Obligation Bond Program; Creating a Workforce Housing Trust Fund (O'Malley, Benton)

CITY of ALBUQUERQUE SEVENTEENTH COUNCIL

DEFINING AFFORDABLE HOUSING OPPORTUNITIES FOR ALBUQUERQUE'S WORKING FAMILIES; DIRECTING AN ON-GOING FIVE YEAR STRATEGIC WORKFORCE HOUSING PLAN AND NEEDS ASSESSMENT; REQUIRING PROGRAM ELEMENTS: PROVIDING FUNDING IN THE CITY CAPITAL IMPROVEMENT PROGRAM AND GENERAL OBLIGATION BOND PROGRAM; CREATING A WORKFORCE HOUSING TRUST FUND: ASSURING THAT RESOURCES ARE DIRECTED TO FAMILIES ACCORDING TO INCOME AND NEED; PROVIDING FOR A PACKAGE OF INCENTIVES TO SUPPORT THE EFFICIENT AND COST EFFECTIVE PRODUCTION OF WORKFORCE HOUSING: REQUIRING NOTIFICATION OF RESIDENTS IN LAND USE ACTIONS THAT MAY RESULT IN DISPLACEMENT: REQUIRING THE REPLACEMENT OF AFFORDABLE HOUSING LOST TO NUISANCE ABATEMENT DEMOLITION ACTIONS, AND REQUIRING THE REHABILITATION OF AFFORDABLE HOUSING BOARDED-UP THROUGH NUISANCE ABATEMENT ACTIONS: REQUIRING WORKFORCE HOUSING RECOMMENDATION BE INCLUDED AS AN ELEMENT IN CITY PLANS AND INCORPORATED INTO THE PLANNED GROWTH

STRATEGY IMPLEMENTATION.

Defining Affordable Housing Opportunities for Albuquerque's Working Families;
Directing an On-going Five Year Strategic Workforce Housing Plan and Needs
Assessment; Requiring Program Elements; Providing Funding In the City
Capital Improvement Program and General Obligation Bond Program; Creating a
Workforce Housing Trust Fund; Assuring that Resources are Directed to
Families According to Income and Need; Providing for a Package of Incentives
to Support the Efficient and Cost Effective Production of Workforce Housing;
Requiring Notification of Residents in Land Use Actions that May Result in
Displacement; Requiring the Replacement of Affordable Housing Lost to
Nuisance Abatement Demolition Actions, and Requiring the Rehabilitation of
Affordable Housing Boarded-Up through Nuisance Abatement Actions;
Requiring Workforce Housing Be Included as an Element in City Plans and
Incorporated into the Planned Growth Strategy Implementation.

Section 1. Findings.

paying for the necessities of life; and

— (A) The Albuquerque/Bernalillo County Comprehensive Plan's
— goal is to increase the supply of affordable housing and ameliorate the
— problems of homelessness and displacement; and
— (B) The City's Five Year Consolidated Plan 2003 to 2007 shows that
— 33% of all households in Albuquerque have some housing affordability
— problem and nearly 80% of households whose income is under 50%
— of median income are rent burdened or living in overcrowded
— conditions; and
— (C) Through a combination of forces including rapidly rising
— land prices, slow wage growth, declining real wages and increasingconstruction—
costs we find that hard working families, after paying the rent, are havingdifficulty

(D) There are an estimated 3,000 homeless individuals in Albuquerque whose path to independent living depends upon permanent, affordable housing; and (E) The City of Albuquerque adopted R-05-255 calling for an update and review of City affordable housing policy, interviews with Stakeholders, analysis of best practices in other cities and consideration of innovative approaches to addressing Albuquerque's affordable housing needs; and (F) Working families having safe, decent and affordably priced housing in stable neighborhoods is advantageous for personal success in school and work and is therefore a prerequisite for the economic success of our community. (G) Albuquerque can look to other regional western cities for models of innovative and successful approaches to producing affordable housing to meet the needs of its working families; and (H) An increase in commitment to Workforce Housing will allow affordable housing providers including the City to leverage additional **fundina** from foundations, financial intermediaries and other community resources; and (I) Meeting the housing needs of working families through well designed, quality built housing and apartments leads to stable, mixed income, diverse neighborhoods and adds to the economic vitality of the community. BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF ALBUQUERQUE: Be It Ordained by the Council, the Governing Body of the City of Albuquerque. Section 12. SHORT TITLE. This Ordinance may be cited as the Workforce Housing

—_Opportunity Act (the "Act"—").

Section 2. FINDINGS.

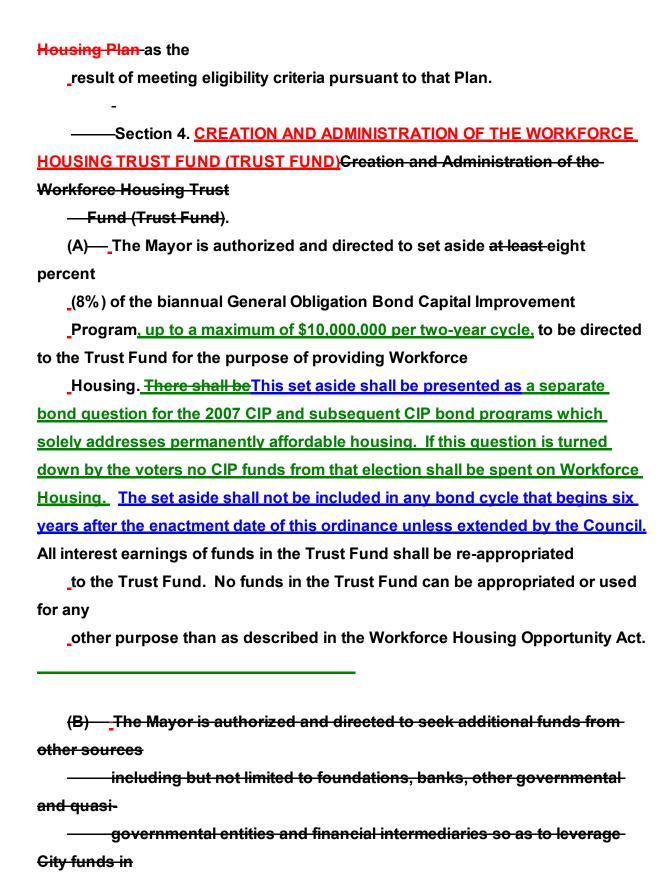
- (A) The Albuquerque/Bernalillo County Comprehensive Plan's goal is to increase the supply of affordable housing and ameliorate the problems of homelessness and displacement; and
- (B) The City's Five Year Consolidated Plan 2003 to 2007 shows that 33% of all households in Albuquerque have some housing affordability problem and nearly 80% of households whose income is under 50% of median income are rent burdened or living in overcrowded conditions; and
- (C) Through a combination of forces including rapidly rising land prices, slow wage growth, declining real wages, increasing utility costs and increasing construction costs we find that hard working families, after paying the rent, are having difficulty paying for the necessities of life; and
- (D) There are an estimated 3,000 homeless individuals in Albuquerque whose path to independent living depends upon permanent, affordable housing; and
- (E) The City of Albuquerque adopted R-05-255 calling for an update and review of City affordable housing policy, interviews with Stakeholders, analysis of best practices in other cities and consideration of innovative approaches to addressing Albuquerque's affordable housing needs; and
- (F) Working families having safe, decent and affordably priced housing in stable neighborhoods is advantageous for personal success in school and work and is therefore a prerequisite for the economic success of our community; and:
- (G) Albuquerque can look to other regional western cities for models of innovative and successful approaches to producing affordable housing to meet the needs of its working families; and
- (H) An increase in commitment to Workforce Housing will allow affordable housing providers including the City to leverage additional funding from foundations, financial intermediaries and other community resources; and

(I) Meeting the housing needs of working families through well designed, quality built housing and apartments leads to stable, mixed income, diverse neighborhoods and adds to the economic vitality of the community. —Section 3. DEFINITIONS. ——(A)_—Workforce Housing. Dwelling units serving residents and their families whose —aannualized income is at or below 80% of the Area Median Income for —_Albuquerque (AMI) as adjusted for household size and determined by the U.S. ——— Department of Housing and Urban Development, and whose monthly housing payment does not exceed 30% of the household's gross monthly income under city eligibility standards imputed income limit applicable to such unit or 33%-35% under special conditions to be defined in the ─₩ Workforce Housing Plan. Dwelling unit is used in this Act as defined in the Comprehensive City Zoning Code. (B) A Workforce Housing Project or a Workforce Housing Subdivision is the entire delevelopment in which at least 30% of the dwelling units meet the definition of Workforce Housing. (B) (C) Workforce Housing meeting the requirements of the Workforce Housing **B** Opportunity Act are Workforce Housing Projects and Subdivisions

(B) funds and/or land from the Workforce Housing Trust Fund or other

(B) funding sources or other incentives included in the Workforce

that rreceive



—— order to expand the program.
(C()C)(B)_—The Fund income and interest earnings shall be appropriated for
the <mark>pp</mark> urposes set
—— forth in this Act after recommendation by the Mayor and approval of the
Council.
——— (D) (C) —Programming and Selection. The projects funded by the
Trust Fund shall be
(1) The Affordable Housing Committee (the "_Committee"]. The
Affordable Housing Committee shall serve as the advisory committee
(1) to develop the Workforce Housing Plan and Needs
Assessment and shall
(1) conduct an annual review of Plan progress.
(1) Workforce Housing Plan and Needs Assessment. The
Committee, with
(1) _the staff-support of the Department of Family and Community
Services Department (the
(1) Department) or its successor and technical support from
Frepresentatives of
(1) the Office of Economic Development and the Planning
Department, shall
(1) develop a Five Year Workforce Housing Plan (the Plan), which
shall be
(1) updated every five years. The Plan shall be based on a
thorough needs
(1) assessment conducted by the Department showing the
housing conditions
(1) of families at and below 80% of median income broken out by
community
(1) planning areas, income classification, special needs, seniors.

homeless and addressing the displacement of low income families. The Plan shall (1) identify the change in the City of Albuquerque of the number of market (1) rate, affordable and non-affordable and affordable housing units, by income category and tenure, over the (1) previous five years. The Plan shall include all resources available to (1) ___address affordable housing needs including, but not limited to, CDBG. (1) HOME, other grants, the City General Fund, Enterprise Funds, other City (1) Housing Funds, State of New Mexico, and Low Income Housing TIax (1) Credits, five year goals and objectives and one year objectives, (1) recommended strategies for implementation and standards for mmonitoring (1) and evaluation of completed projects. The Plan shall include a matrix (1) showing the annual and five year housing production goals and objectives (1) and organizations committed to its production. The Plan shall address (1) expansion of the capacity of the non-profit housing development

(1) organizations and identify resources necessary to carry out

(1) expansion. The Plan shall identify, based on housing market

needed

data

(1) standards, City neighborhoods as "Stable", " "Disinvesting", or (1) "-Gentrifying" and shall make it clear that different housing (1) and housing and aaffordable housing strategies are being pursued within the different (1) categories of neighborhoods. The Committee shall hold at least three (1) public hearings on the draft plan prior to making recommendations to tthe (1) Mayor and the Council. The Plan shall serve (1)—as the housing component of the Consolidated Plan after review and (1) comment by the Albuquerque Citizen Team. The final draft Plan (1) shall be conveyed by the Mayor to the Council by a resolution within 12 (1) months of the enactment of this Ordinance and shall be adopted by the (1) Council with or without amendments. The Plan shall be reviewed and (1) progress eevaluated annually by the Committee and a report sent to the (2) Council. (1) Priorities and Uses of Funds. At least fifty (50) percent of the available funds (1) in any five year program shall be used for land acquisition for Workforce Housing Projects and Subdivisions in areas designated as Metropolitan Redevelopment Areas, Centers and Corridors and land zoned for mixed

use development under the yet to be approved zones called for in the

adopted Planned Growth Strategy (Planned Village Development, Transit
Oriented Development Centers and Corridors, Commercial Center,
Campus, Infill Development, and Conservation Subdivision). Up to fifty
(50) percent of the available funds in any five year program may be used for zero to low interest or, in certain cases, forgivable loans—loans that may be forgivable that meet the

-requirements of the Workforce Housing Opportunity Act and fall within the geographic areas described above. At least 25% of the funds shall be used for scattered site, single-family housing purchase, rehab, lease-to-own and resale of existing housing stock. The priorities for use of all funds shall be determined by reference to the Program Elements as shown in Section 54 but in all cases the following requirements shall be met.

a) Resources shall be allocated according to need in any five year program with at least 50% of all resources benefiting families at or below 50% of AMI and at least

a) 30% of all resources benefiting families at or below 30% AMI.

<u>a)</u> Forgivable loans Loans that may be forgivable may be considered for use only in projects benefiting

a) families whose income is at or below 30% AMI.

a) Not more than 20% of resources shall be used for project related soft

b)____development costs as defined by the Plan.

a) Projects shall be sponsored by City approved, locally based, non-profit

a) ___housing development organizations. It is recognized that non-profits

a) will partner with for-profit builders and developers to accomplish—

a) Workforce Housing projects. The rationale for

requiring non-profit a) sponsorship is to expand capacity of community based organizations that a) that have a long term interest in serving working families with a) affordable housing. Sponsorship shall be demonstrated by substantial involvement of the non-profit in the project as indicated by at least a) 220% of development fee ggoing to the non-profit and a long term a) management and oownership role if rental housing. Criteria for e) approval of non-profits and sponsorship —shall be included in the Workforce HHousing Plan. a) d) Projects receiving funding or land under the Workforce Housing a Opportunity Act shall leverage non-City funds by at least a 4-:4:1 -ratio (non-City to City resources). The Plan may make exception to this ratio for certain hard to develop projects to be defined. Federal and _State funds flowing through the City are not considered City funds for purposes of this requirement. (4) Project Priorities. The Committee shall develop a policy-based ranking system so that proposed projects can be prioritized. The system of

ranking

shall be included in the Workforce Housing Plan. Priority shall be given to financially sound proposals that rank the highest according to the priorities based on guidelines found in the Program Elements. Priority with respect to newly constructed projects shall also be given to proposals that demonstrate a commitment to energy efficiency and utility conservation. The Committee can establish minimum standards below which a project will not be approved. The Department shall issue a standing request for proposals so that _developers have adequate time to secure land and formulate proposals for _City consideration. —Section 5. PROGRAM ELEMENTS. :- The following elements, among others, shall be ——used to develop a priority setting and project ranking system for ddevelopment under the —Act.-(A) Neighborhood Conditions.: Workforce Housing should be (A) designed, located and integrated into the community so as to (A) serve to stabilize that neighborhood, with the long term goal of creating (A) "Stable"_neighborhoods, not "-Disinvesting" or " (A) Gentrifying" ones. Thus, in a -disinvesting neighborhood, the goal is to (A) ______increase hhousing and other investment, enhance the neighborhood image, upgrade (A) the existing housing inventory, encourage higher income families and serve as a

(A) catalyst for additional investment. In a neighborhood with increasing (A) housing prices the goal is to preserve a mixed income environment and avoid the_ (A) <u>d</u>-dislocation of low income residents by creating a reserve of permanent workforce (A) housing protected from price increases and danger of converting to market rate (A) housing, allowing renters to own their housing, and otherwise financially insulating (A) low income residents from financial burdens of gentrification while accruing its (A) benefits. (A) Design and Location Criteria. Access to public transportation; jobs and housing (A) balance; pedestrian access to shopping, schools and recreation; retail in close (A) proximity to residential; energy efficient construction; water conservation; (A) Universal Design Standards, quality design and construction all enhance the value (A) of Workforce Housing and, as required, the design standards in the approved (B) zones called for in the adopted Planned Growth Strategy. (C) Preservation. Mechanisms are available for preserving (A) existing and new (A) Workforce Housing. Neighborhoods with rising land values will most benefit (A) from tools that work for permanent affordability while shorter term mechanisms term

- (A) mechanisms will achieve goals of attracting investment into neighborhoods that (A) are experiencing declining land values. All rental housing shall be permanently (A) affordable. All ownership housing shall remain affordable for a minimum of fifty (A) years shall remain permanently affordable through restrictions imposed on resale.- Rental properties shall enter into a monitoring agreement with the City or (A) other entity as approved by the City to provide an annual audit of compliance with (A) affordability requirements. Income eligible families will not be evicted from their (A) rental dwelling unit if over time their income increases above the eligible level. However, (A) provision should be made to relocate the family within a mixed income Workforce (A) Housing project to a market rate dwelling or adjust their rents appropriately if their ——income warrants such a change. No funds from sources other than the biannual General Obligation Bond Capital Improvement Program or interest earnings of such funds shall be considered as part of the Trust Fund nor shall such funds from other sources be subject to the requirement for permanent affordability. Projects funded in part from the Trust Fund and in part from other sources shall be subject to the requirement of permanent affordability.
- (D) Link to Growth Management Plan. In developing and adopting the Plan, there should be consistency with and support for the City's growth management plan as defined by the Planned Growth Strategy. This requirement for consistency and support is not intended to mandate the development of

workforce housing, specific distribution or location	s for Workforce Housing but
may be a factor in such decisions. By prioritizing lo	cations for Workforce
——_Housing to support infill, redevelopment and	neighborhoods that require
remediation of infrastructure deficiencies the	Workforce Housing Plan
should	
support the City growth management plan as	defined by the Planned
Growth	
Strategy. Thus, Centers and Corridors as app	proved in the Albuquerque
Bernalillo County Comprehensive Plan, Metro	politan Redevelopment
Areas <u>and</u>and	
development in approved mixed-use zones ca	lled for in the adopted
Planned	
Growth Strategy (Planned Village Developme	nt, Transit Oriented
D <u>Pevelopment</u>	
Centers and Corridors, Commercial Center, C	ampus, Infill Development,
and	
—— <u>Conservation Subdivision) provide location s</u>	ensitive opportunities for
development of Workforce Housing. Ac	Iditional criteria such as low
<u>enrollment</u>	
schools shall be considered in develop	ing a priority ranking
system. The Planned	
Growth Strategy Land Use Assumption	s shall be eexpanded to
include targets for the	
inclusion of affordable housing, accord	in g to the income categories
contained in	
this Act, within the PGS subareas. PGS	growth management
implementation	
techniques shall include provisions for	affordable housing.
Section 6. Development Incentives. Workforce	Housing, if it meets the
requirements	

of this Act and the implementing rules and regulations, is eligible for the
following
development incentives:
Zoning
— (1) Density Bonus. Workforce Housing is eligible for a density bonus
under
the Family Housing Development provisions of the Comprehensive
City
Zoning Code.
(2) Permissive Uses. Workforce Housing Projects and Subdivisions
approved
under this Act shall be permissive uses in all commercial, industrial and
manufacturing zones This provision of the Act will not take effect until the
appropriate hearings and recommendations are made by the Environmental
Planning Commission and Planning Department.
(B) Fee Rebates.
Workforce Housing shall receive_waivers of design review fees, the utility
expansion charge (based on approval of the Albuquerque Bernalillo-
County
Water Authority) and building permit fees.
Workforce Housing meeting the requirements of this Act shall receive
full (100%) impact fee waivers_consistent with the provisions of Bill No.
R/S R-04-159 and subsequent legislation.
Fast Track Development Review. The City Engineer's Office, the Municipal
Development Department and the Planning Department shall develop
-systems for tracking and expediting the city's review and approval of
-subdivisions, building permits and other approval processes for Workforce
- Housing.
(C) Ombudsman Program.
An advocate for Workforce Housing shall be appointed by the

Mayor to

facilitate the implementation of the Workforce Housing Opportunity Act as it relates to the incentives listed in Section 6. In addition, the Ombudsman shall provide a point of contact, shall endeavor to streamline processes and facilitate improvements to the regulatory process to reduce time and expense for Workforce Housing and will serve as a resource on Workforce Housing for appropriate housing elements in new plans and revisions to existing plans.

—Section 67. NOTIFICATION OF TENANTS Notification of Tenants. In all City land use actions that will result in the -ddisplacement of tenants, subject to federal and state law as appropriate, the applicant is - required to notify the residents affected by first class mail at least two weeks prior to the —_public hearing on the action. If names of tenants impacted by displacement cannot be __readily obtained in a City directory then applicant may address tenants as "Resident" in ——required notifications. Section 7 8. WORKFORCE HOUSING REQUIRED ELEMENT IN PLANSWorkforce Housing Required Element in Plans. All Plans which address an area that does or may include housing (e.g. Metropolitan-Redevelopment Plans, Neighborhood Sector Plans, Area Plans, Corridor Plans) shall include a section aaddressing the need for Workforce Housing and the means by which that need will be addressed in the plan area and in accordance with the Five Year Workforce Housing Plan.

This Section is applicable to plans adopted after the effective date of
this Act and to
existing plans that undergo a significant revision after the effective
date of this Act, as
determined by the Planning Department, or its successor.
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———SSection 789. Rules RULES AND REGULATIONS and Regulations.
The Department of Family and Community Services
——_ (DFCS) or its successor, or another city department as designated by
the Mayor, shall
——_establish rules and regulations to provide for implementation of this
Act. The Mayor, shall
——_publish a draft of the rules and regulations for public comment within
120_60-days of the
——_adoption of the Workforce Housing Plan.
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———Section <u>89</u> 10SEVERABILITY. <u>If any section, paragraph, sentence,</u>
clause, word or phrase of the Workforce Housing Opportunity Act is for any
reason held to be invalid or unenforceable by any court of competent
jurisdiction, such decision shall not affect the validity of the remaining
provisions of this ordinance. The Council hereby declares that it would have
passed this ordinance and each section, paragraph, sentence, clause, word or
phrase thereof irrespective of any provision being declared unconstitutional or
otherwise invalid. The Council further declares that certain provisions of this
ordinance, specifically the provisions related to zero to low interest loans that
may be forgivable, may violate Article 9, Section 14 of the New Mexico
Constitution and that an election will be held in November of 2006 on a
constitutional amendment to change that section. It is the Council's intention
that any provision herein determined to violate Article 9, Section 14 of the New
Mexico Constitution as of the date of adoption of this Ordinance shall become

proposed constitutional amendment.
If any section, paragraph, clause or provision of the
Workforce Housing Opportunity Act Ordinance shall for any reason be
held to be invalid
or unenforceable, the invalidity or unenforceability of that section,
paragraph, clause or
provision shall not affect any of the remaining provisions of the Act.
——Section <u>9</u> 1 <u>0</u> 1. <u>COMPILATION</u> Compilation. This ordinance shall be
incorporated in and compiled as
——_part of the Revised Ordinances of Albuquerque, New Mexico 1994 <u>.</u> —
——Section 1 <u>01</u> 3. <u>EFFECTIVE DATE</u> Effective Date. This ordinance shall
take effect five days after_
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effective, to the extent applicable, upon adoption and implementation of the

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